

MINUTES
VIRGINIA SMALL BUSINESS ADVISORY BOARD
March 19, 2009
707 East Main Street, 3rd Floor Board Room
Richmond, Virginia

- I. Members present: Mr. Robert Nealon (Chair), Mr. Carlos Brown (Vice Chair), Mr. Phaedrus Acgtblu, Mr. Douglas Adams, Ms. Melissa Ball, Ms. Claire Guthrie Gastañaga, Mr. Bernard Robinson, Mr. Ronald Seward, Mr. Prescott Sherrod, Mr. Ronald Bew (Ex-Officio), and Ms. Barbara Anderson (Board Secretary).

Guests: Mr. David N. Smith, Deputy Secretary of Commerce and Trade.

Staff present: Ms. Elizabeth Moran.

Members not present: Ms. Gena Thompson Burr, Dr. Francine DeFerreire Kemp, Ms. Lisa Watson McCarty, Mr. Frank Smith, Mr. Greg Terrill, Mrs. Lynda Sharp Anderson (Ex-Officio), and Mr. R. Leon Moore (Ex-Officio).

II. Welcome

- Chair Nealon called the meeting to order at 10:14 a.m.

III. Market Updates by Board Members

- Each Board member gave a summary of noteworthy issues and events in their Congressional districts.

IV. Approval of Minutes

- Chair Nealon motioned for approval of the Minutes from December 4, 2008 and January 15, 2009. Ms. Gastañaga moved to approve, Mr. Adams seconded. The Minutes were unanimously approved by a voice vote.

V. Director's Report

- Ms. Moran presented the Director's Report in the absence of Mrs. Sharp Anderson.
- Move of VDBA in May to the Jefferson Building. State space. Will have a conference room. Will look into parking. Will keep Board posted. Next meeting after the Business Appreciation Kick-Off Breakfast on May 11th.
- VDBA in the midst of an audit – internal state audit. Program audit.
- Deputy Secretary Smith will address the Stimulus fund.

- Ms. Gastañaga – Meet together with Small Business Commission – joint meeting – possibly at May 11th meeting. Can get them to see SBAB.
- Ms. Moran – Got off track by choosing healthcare. They are trying to get it together - Delegates Saxman, Landes. Information to Board on membership of committee.

VI. Legislative Briefing

- Ms. Gastañaga – Bills of interest. Reposition grant and economic programs this session. Reviewed 109 bills of interest.
- HB2024 – effective July 1, 2009, continued coverage for preventive healthcare. Small Business Commission supported this bill.
- HB2672 – DMBE – Question – communicate name change good idea. Write to Governor to support change of name and transfer to Secretary of Administration.
- Ms. Moran – Direction of DMBE – clarify. Changes title and assignment.
- Ms. Gastañaga continues with programs with new entrepreneurs. Letter to study group should be supplemented. Change in definition of small business should be considered.
- JLARC rep to speak to Board.
- Ms. Moran clarified SB1242 language.
- Chair Nealon to Ms. Gastañaga – Governor candidates on small business.
- Ms. Gastañaga – First year Governor's Economic Strategies. Candidates need to be informed.
- Chair Nealon – Great idea. Letter to candidates – Mr. Acgtblu and Ms. Gastañaga.

VII. Secretary's Report – Deputy Secretary David Smith

- Deputy Secretary Smith – HB1966 - Congratulations to Ms. Gastañaga for speaking to keep VDBA.
- Stimulus process – Where we are.
 - \$4.8 billion – direct and competitive grants
 - Stimulus website.
 - State, local and citizens
- Localities – water/sewer projects.
- To stabilize budget – 7,000 state employees would have been at risk.
- Governor's Stimulus Work Group.
- What fits Commerce and Trade – started process internally.
- Direct grant piece only follows budget process. Will go to DPB in budget form.
- DHCD getting own Mines, Minerals and Energy. Green energy
- Competitive grant pieces.
- Anyone can go after.
- Helps that our Governor has relationship with President.
- Part of \$4.8 billion over and above direct piece.

- How average businesses get stimulus money.
- Ms. Gastañaga – Commonwealth should make easy to find. User friendly information to small businesses.
- Deputy Secretary Smith – Money has to get out quickly.
- Way to read stimulus for us – to create jobs and quickly.
- Competitive grants – state and federal agency which will administer.
- Company gets in touch with agency that sponsors and agency goes forward with it.
- Timeline – 1st of May – depends which pot of money. Biggest piece – monitoring piece.
- Closing date for competitive.
- Discretionary – closed.
- To VDBA - \$737 million SBA. Rolled out two of programs on Monday. Others to be rolled out over time.
- Deputy Secretary Smith – Feels will consume all their time at Commerce and Trade until end of term – January 2010.
- Unemployment up, but still below national average.

VIII. Announcements

- Ms. Moran - Financial Disclosures – all have sent.
- Handout - Board Profile 2008.
- Meeting Schedule.
 - Next meeting Monday, May 11, 2009 after BAW Kick-Off Breakfast – off site. Board will be notified of location and registration.
 - Final meeting for FY 2009 will be held on Thursday, June 18, 2009 At VDBA's new location.
 - Tentative meeting schedule for FY 2010
 - Thursday, September 17, 2009
 - Thursday, November 12, 2009
 - Thursday, December 10, 2009
 - Thursday, January 14, 2010
 - Thursday, March 18, 2010
 - Monday, May 17, 2010 (BAW)
 - Thursday, June 17, 2010
- Conflict of Interest training after business meeting adjourns.
- Vision/Mission of Board.
 - Set up subcommittee – Ms. Gastañaga, Mr. Acgtblu and Dr. Kemp.
 - Ms. Gastañaga – Subcommittee to meet and discuss at the May 11th meeting.
 - Board not being used as effectively as possible.
 - Chair Nealon – Board would like to participate. Set up meeting with Governor's Office/Secretary's Office.

- Ms. Gastañaga - Future – Board as a resource. What can be done to use Board more effectively?
- Chair Nealon – Push forward with Stimulus package.
- Chair Nealon to handle committee meeting with appropriate groups. Members include: Chair Nealon, Mr. Acgtblu, Mr. Adams, Mr. Seward, Mr. Sherrod, and Mr. Robinson. Board to get results.
- Focus on economic development strategy – to work with next Administration.
- Board to address Gubernatorial candidates – can also be proactive.
- Ms. Gastañaga – Each objective is statutory.
- Address issues at next meeting, Monday, May 11th.
- Chair Nealon may ask this year's speaker to address Board.

IX. SBA Stimulus Briefing

- Mr. Bew, District Director, U.S. Small Business Administration.
- Handouts –
 - News release announcing SBA Stimulus Bill, dated February 18, 2009
 - President Obama's talking points – "Economic Recovery for America's Small Businesses," dated March 16, 2009.
- The bill provides \$730 million to the SBA and makes changes to the agency's lending and investment program in order to reach more small businesses needing help.
- The funding includes:
 - \$375 million temporary fee reductions or eliminations on SBA loans and increased SBA guaranteed shares, up to 90% for certain loans.
 - \$255 million for a new loan program to help small businesses meet existing debt payments.
 - \$30 million for expanding SBA's Microloan program.
 - \$20 million for technology systems to streamline SBA's lending and oversight processes.
 - \$15 million for expanding SBA's Surety Bond Guarantee program.
 - \$25 million for staffing up to meet demands for new programs.
 - \$10 million for the Office of Inspector General.
- Default rate 2008 – 3%. Should go up this year.
- Secondary market expansion.
- Investment – SBICs – 400 in country. Cap up to \$150 million from \$100 million. Fund to assist small businesses.
- Surety Bonds – government or state contracts.
- Money flowing to states – www.recovery.gov.
- Trying to reach out as much as possible. Senator Warner to tour Bristol and the Valley.
- Ms. Moran – Will try to get information to the Board.
- State - \$4.8 million to balance budget – direct/indirect.
- SBA money – no restrictions.

- Competitive processes have not been defined.
- Various agencies. How are we going to use this money?
- State's Stimulus –
 - Approximately half for budget
 - Green projects
 - Ms. Moran to look into list. Will add to web page as information is available.
- SBA has no detail as yet.
- Banks can waive or defer payments for three months.
- Have only two items to date. Will e-mail to Ms. Moran.

X. New Business

- DMBE – draft letter/e-mail. Officially recommend agency name change.
- Chair Nealon set motion – all in favor of letter. By voice vote all Board members voted in favor of the e-mail letter.
- Ms. Moran to invite the members of the Small Business Commission to the BAW breakfast.
- Chair Nealon to e-mail members on the committee.

XI. Adjourn

- Chair Nealon moved to adjourn the meeting at 1:13 p.m.
- Mr. Robinson put forth motion to adjourn. Ms. Gastañaga seconded.

Respectfully submitted,

Barbara Anderson
SBAB Secretary